The IDAHO DECISION UNIT (DU) BUDGET MODEL

Benchmark 1

FY 2003 Original Appropriation: The amount appropriated last year for the current fiscal year. The amount specified in the original appropriation bill.

- Decision Units adjusting current year Appropriation
- **Reappropriation**: An appropriation is usually good for only one fiscal year. However, in some instances, the Legislature allows an agency to carry-over any unexpended balances to the next fiscal year, thus increasing the total appropriated spending authority over the amounts designated in the original appropriation bill.
- Supplemental Requests: Generally, these are requests for additional funding in the current fiscal year to address unforeseen emergencies. However, supplementals may also be used to remove funds, or transfer funding between standard classes, funds, programs or agencies.

Benchmark 2

FY 2003 Total Appropriation: The amount specified in the original appropriation bill plus reappropriations, supplemental appropriations and other adjustments by the Legislature or potentially the Board of Examiners.

- Decision Units adjusting current year Expenditures
- **Expenditure Adjustments**: These are used by agencies to adjust their appropriations, within legislatively approved guidelines, to the way the money will likely be expended. Adjustments can include **Executive Holdbacks**, transfers between summary objects, recording receipts to appropriations, recording noncognizable funds, transfers between summary objects, and transfers between programs.

Benchmark 3

FY 2003 Estimated Expenditures: The summary object detail (p.c., o.e., c.o., t/b) of how an agency intends to expend its current year appropriation.

Decision Units adjusting current year Base **Base Adjustments**: This is where funding provided for one-time (non-recurring) purchases is removed from an agency's budget, and where across-the-board base reductions or funding holdbacks ordered by the Governor are made. These adjustments also allow an agency to reorganize its operations for the coming fiscal year, if desired, by transferring funds between programs or summary objects.

Benchmark 4

FY 2004 Base: The Base has become the major benchmark in the appropriations process. It reflects an agency's current year appropriation, after being adjusted for any of the items mentioned above, less all one-time (non-recurring) expenditures. It is usually the starting point in building an agency's appropriation for the next fiscal year. Increases to an agency's Base budget might include any or all of the following standardized decision units.

- Personnel Cost Rollups: These are increases in the cost of maintaining a range of employer-paid benefits for state employees such as social security, retirement (PERSI), unemployment insurance, health insurance and sick leave are often imposed on state government year-to-year.
- Inflationary Adjustments: Agencies are directed to request a general increase in their operating
 expenses, based on the Consumer Price Index (CPI), to address higher, inflation-driven costs such as for
 supplies, travel and postage. A medical inflation rate for trustee/benefit payments is also allowable.
- Non-standard Adjustments: This type of adjustment identifies costs which are not accurately classified in
 the other "maintenance" adjustments but which are necessary to maintain current operations or levels of
 service. These costs often represent increased volume within current responsibilities or other situations
 that are beyond the control of the requesting agency. Other examples are elected officials service charges,
 personnel reclassifications, audit fees and rent increases.
- Annualizations: This budget component identifies full-year costs for budget items which were partially funded in the prior year.
- Employee Compensation: Known as Change in Employee Compensation (CEC), this decision unit identifies increases in salary funding and variable benefit costs for classified and exempt state employees.
 Fund Shifts: Replaces a loss of one fund source with another to maintain existing levels of service.

Benchmark 5

FY 2004 Program Maintenance of Current Operations (MCO): The amount of funding requested to maintain current service levels without expanding the scope of existing programs or adding new programs.

Enhancement Decision Units for next fiscal year

Decision Units adjusting

Maintenance of Current

Operations (MCO) for next

fiscal year

Program Enhancements: These decision units, listed in priority order, reflect an agency's desire to either add new program elements, respond to increasing work loads, or expand the scope of existing services.

Benchmark 6

FY 2004 Original Appropriation: The total funding appropriated for the coming fiscal year.